

Congress of the United States
Washington, DC 20515

March 10, 2015

Administrator Gina McCarthy
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator McCarthy:

On June 18, 2014 your office issued a regulation (EPA-HQ-OAR-2013-0602) pertaining to carbon emissions from existing stationary electric utility generating units. As you know, Arkansas relies on coal-fired power to produce over half of all electricity generated in the state, providing some of the lowest energy costs in the country. Unfortunately your regulation will upend these prices and unduly burden Arkansans. Further, we fear you have failed to accurately demonstrate the extent to which retail prices will increase.

In reviewing the Regulatory Impact Assessment (RIA) prepared by the EPA in support of the proposed Clean Power Plan rule, you claim:

"We (EPA) estimate a 4 to 7 percent increase in retail electricity prices, on average, across the contiguous U.S. in 2020, and a 16 to 22 percent reduction in coal-fired electricity generation as a result of this rule."

Page 7-9, Regulatory Impact Analysis for the Proposed Standards of Performance for
Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units


Your conclusion stands in contrast with concerns expressed by Arkansas-based stakeholders; specifically your RIA did not consider unrecoverable costs arising from the forced retirement of coal plants, thereby underestimating the true cost of your regulations. This model should be updated as soon as possible, as Congress has already begun consideration of legislative steps to address your misguided regulation.

We encourage your office to revise these estimates before finalizing your rule. But it would be far better for residential ratepayers in Arkansas if you chose not to finalize your misguided regulation.

Sincerely,



Tom Cotton
U.S. Senator



Bruce Westerman
Member of Congress